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**SHORE TO SHORE
CORPORATION LIMITED**
259 King Street West, Kitchener, Ontario

SUBSIDIARY COMPANIES

ALLCROSS ENTERPRISES LIMITED
Kitchener, Ontario

DISTRICT TRUST COMPANY

London, Ontario
Brantford, Ontario
Elmira, Ontario
Guelph, Ontario
Kitchener, Ontario
Strathroy, Ontario
Toronto, Ontario

ROTHSAY CONCENTRATES CO. LIMITED
Rothsay, Ontario

DYNAMIC DISPOSAL TRUCKING LIMITED
Rothsay, Ontario

STERIAN RENDERING COMPANY
Austria



**SHORE TO SHORE
CORPORATION
LIMITED**

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INTERIM REPORT
for the six months ended May 31, 1974

PRESIDENT'S REPORT

SHORE TO SHORE CORPORATION LIMITED
and Consolidated Subsidiary Companies

The financial statements of Shore to Shore Corporation and consolidated subsidiaries show continued growth in all endeavours. Net earnings for the six months ended May 31, 1974 were \$876,226 (33.6 cents a share) on operating revenue of \$5.7 million, compared with \$421,178 (18.4 cents a share) on \$5.4 million revenue a year ago.

Current earnings include a gain on the sale of income producing fixed assets in the amount of \$212,562 (\$25,248 in 1973).

District Trust Company had net earnings of \$85,222 (36 cents a share) for the six months ended April 30, 1974 compared with \$22,635 (9 cents a share) a year ago. Total assets, deposits and gross income continued to grow at an impressive rate.

You will note that the consolidated financial statements include the accounts of wholly-owned subsidiaries but do not include the accounts of the Sterian Rendering Company of Austria.

Since the end of the report period, on June 28, 1974, Shore to Shore paid a 2½ cent dividend on common stock which brings to 5 cents a share the total dividends paid during the current fiscal year.

July 16, 1974
Respectfully submitted,
R. J. Hare
President

CONSOLIDATED STATEMENT OF EARNINGS
(unaudited)

	Six months ended May 31	
	1974	1973
Gross operating revenue	\$ 5,727,426	\$ 5,402,539
Cost of sales and operating expenses	4,301,475	4,377,709
Depreciation and amortization	271,787	255,528
Earnings before undernoted items	4,573,262	4,633,237
Share of earnings of District Trust Company	1,154,164	769,302
Earnings before income taxes and extraordinary items	83,500	11,997
Income taxes	1,237,664	781,299
Earnings before extraordinary items	574,000	403,578
Gain on sale of income producing fixed assets	✓ 663,664	✓ 377,721
Government grant	212,562	25,248
NET EARNINGS FOR THE PERIOD	\$ 876,226	\$ 421,178
NET EARNINGS PER SHARE	✓ 33.6¢	✓ 18.4¢

CONSOLIDATED STATEMENT OF SOURCE AND USE OF CASH
(unaudited)

	Six months ended May 31	
	1974	1973
Source of Cash		
Operations		
Net earnings for the period	\$ 876,226	\$ 421,178
Non-cash items		
Depreciation and amortization	271,787	255,528
Share of earnings of District Trust Company	(83,500)	
in excess of dividends received		
Proceeds from issue of common shares	1,064,513	676,706
Increase in accounts payable and accrued liabilities	1,251,936	
Decrease in land inventories	228,003	
Increase in income taxes payable	104,698	
Decrease in investments and advances to affiliates		332,024
Decrease in deposits and deferred charges		144,688
Net change in other assets and liabilities		102,997
Increase in bank advances	136,448	
	237,865	405,119
Use of Cash	\$ 3,023,463	\$ 1,661,534
Increase in investment in District Trust Company	\$ 1,286,076	\$ 556,857
Increase in income producing fixed assets	750,439	189,355
Decrease in mortgages payable	269,821	
Increase in mortgages and notes receivable	286,954	391,256
Increase in inventories other than land	235,476	
Decrease in income taxes payable	131,342	57,180
Dividends on common shares	63,355	240,756
Increase in accounts and notes receivable		116,531
Decrease in notes payable		109,599
Net change in other assets and liabilities		
	\$ 3,023,463	\$ 1,661,534

NOTE:

These unaudited financial statements include the accounts of Shore to Shore Corporation Limited, Rothsay Concentrates Co. Limited and Dynamic DisposALL Trucking Limited for the period ended May 31, 1974 and Allcross Enterprises Limited for the period ended March 31, 1974. The 1973 comparative figures include the accounts of Hybrid Turkeys Limited in addition to those of the aforementioned companies.

**SHORE TO SHORE
CORPORATION LIMITED**

259 King Street West, Kitchener, Ontario

SUBSIDIARY COMPANIES

ALLCROSS ENTERPRISES LIMITED

Kitchener, Ontario

DISTRICT TRUST COMPANY

Guelph, Ontario

Kitchener, Ontario

London, Ontario

Strathroy, Ontario

Toronto, Ontario

HYBRID TURKEYS LIMITED

Kitchener, Ontario

New Hamburg, Ontario

Schomberg, Ontario

ROTHSAY CONCENTRATES CO. LIMITED

Rothsay, Ontario



**SHORE TO SHORE
CORPORATION
LIMITED**



INTERIM REPORT

Six months ended May 31, 1973

PRESIDENT'S REPORT

The current fiscal year continues to be the most profitable in the history of Shore to Shore.

Net earnings for the second quarter were \$334,253 bringing the net earnings for the six months ended May 31, 1973 to \$421,178, or 18.4¢ per share compared to \$109,221 or 5.0¢ per share for the first half of 1972. More dramatically, earnings before income taxes and extraordinary items for the first six months increased from \$32,209 in 1972 to \$781,299 for the current fiscal year.

The major plant expansion which Rothsay Concentrates Co. Limited completed last year, has proven to be very successful. The ability to recycle increased volumes of waste, together with improved market conditions is now allowing this wholly owned subsidiary to produce impressive results.

Although Hybrid Turkeys Limited continues to face unsettled market conditions, this subsidiary has now returned to a profitable position and is expected to remain so for the balance of 1973.

District Trust Company continues to grow at an impressive rate and now records total assets in excess of \$45 million. Branch expansion is an integral part of continued growth, and in mid September District Trust will be opening a new full service branch in Elmira, Ontario. I am pleased to announce the appointment of Mr. Frederick P. Schneider to the Board of Directors of District Trust Company. Mr. Schneider is the Chairman of the Board of J. M. Schneider, Limited, and is indeed a most valuable addition to the Board.

The resignation of Mr. Frederick M. Halls as a director of Shore to Shore has been accepted with regret.

Your Company's 50% interest in BMV Manufacturing Company Limited has been sold for book value.

The management of Shore to Shore is confident that the significant increase in earnings experienced to date will continue through the balance of the 1973 fiscal year. In support of this confidence the Board of Directors has authorized a further dividend of 2½¢ per share payable August 1, 1973.

July 25, 1973
Respectfully submitted,
R. J. Hare,
President.

SHORE TO SHORE CORPORATION LIMITED
and Subsidiary Companies

CONSOLIDATED STATEMENT OF EARNINGS
(unaudited)

	Six months ended May 31 1973	1972
Gross operating revenue	\$ 5,402,539 ✓	\$ 3,497,082
Costs and expenses	4,377,709	3,210,457
Depreciation and amortization	255,528	285,475
Earnings before unreported items	4,633,237	3,495,932
Share of earnings of District Trust Company	769,302	1,150
	11,997	31,059
Earnings before income taxes and extraordinary items	781,299	32,209
Income taxes	403,578	63,712
Earnings (loss) before extraordinary items	377,721	(31,503)
Profit on sale of fixed assets	25,248	140,724
Government grant	18,209	
Earnings for the period	\$ 421,178 ✓	\$ 109,221
Earnings per share	18.4¢ ✓	5.0¢

CONSOLIDATED STATEMENT OF SOURCE AND USE OF CASH
(unaudited)

	Six months ended May 31 1973	1972
Source of cash		
Net earnings for the period	\$ 421,178	\$ 109,221
Items not involving current funds		
Depreciation and amortization	255,528	285,475
Share of earnings of District Trust Company in excess of dividends received		(18,691)
		376,005
Increase in income taxes payable	676,706	
Decrease in investments and advances to affiliates	332,024	
Decrease in deposits and deferred charges	144,688	
Increase in mortgages payable	102,997	
Decrease in accounts and notes receivable		454,317
Decrease in mortgages and notes receivable		158,904
Net change in other assets and liabilities		118,226
Increase in bank advances		76,417
	405,119	117,488
	\$ 1,661,534	\$ 1,301,357
Use of cash		
Additions to fixed assets		
Increase in inventories other than land	\$ 556,857	
Increase in accounts and notes receivable	391,256	\$ 134,674
Decrease in mortgages payable	240,756	
Decrease in notes payable	189,355	
Dividends on common shares	116,531	161,700
Increase in land inventories	57,180	
Increase in investments and advances to affiliates		774,359
Increase in prepaid expenses		119,047
Net changes in other assets and liabilities	109,599	111,577
	\$ 1,661,534	\$ 1,301,357

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REMARKS BY R. J. HARE, PRESIDENT
SHORE TO SHORE CORPORATION LIMITED
AT THE COMPANY'S ANNUAL MEETING

HELD AT THE HOLIDAY INN, HESPELER, ONTARIO

AT 2:30 P.M., MARCH 14, 1972

BEFORE WE DEAL WITH THE NEXT ITEM ON THE AGENDA, LADIES AND GENTLEMEN, I'D LIKE TO TELL YOU ABOUT SOME NEW DEVELOPMENTS THAT WILL CONTRIBUTE SUBSTANTIALLY TO YOUR COMPANY'S CONTINUED GROWTH AND PROSPERITY.

YOU MAY RECALL A REFERENCE IN THE ANNUAL REPORT ABOUT A NEW DISTRICT TRUST COMPANY OFFICE IN TORONTO THIS YEAR. YOU MAY ALSO RECALL THE SIGNIFICANCE WE ATTACHED TO ACQUIRING A MAJORITY INTEREST IN DISTRICT TRUST LAST YEAR. I'M PLEASED TO ANNOUNCE THAT IN MID-APRIL A DISTRICT TRUST OFFICE WILL BE OPENED IN THE NEW THOMSON BUILDING AT BAY AND QUEEN STREETS IN TORONTO, AT THE HEART OF CANADA'S FINANCIAL CAPITAL. I'M SURE I DON'T HAVE TO ELABORATE ON WHAT A TORONTO OFFICE SIGNIFIES IN TERMS OF THE POTENTIAL MARKET AND THE ENHANCED STATURE FOR DISTRICT TRUST.

I'M NOT YET IN A POSITION TO ANNOUNCE THE NAME OF THE MANAGER OF THE TORONTO OFFICE. BUT I CAN ASSURE YOU THE MANAGEMENT OF THE NEW OFFICE WILL BE AS PROFESSIONAL AS WHAT WE EXPECT ... AND GET ... FROM OUR PEOPLE IN SHORE TO SHORE AND DISTRICT TRUST.

IN A LARGER SENSE, OUR JOINT STRATEGY WITH DISTRICT TRUST IS GEARED MAINLY TO INNOVATION ... TO FINDING NEW AND PROFITABLE WAYS OF BROADENING THE BASE OF OPERATION AND THE SALES ORGANIZATION. AT THE SAME TIME, WE INTEND TO GENERATE A MUCH GREATER VOLUME OF BUSINESS IN EXISTING FIELDS ... IN REAL ESTATE AND INVESTMENT ... IN SAVINGS DEPOSITS AND MORTGAGES.

LET ME PUT IT THIS WAY: DISTRICT TRUST IS LIKE A DAVID IN THE MIDST OF A NUMBER OF GOLIATHS. WHILE WE'RE NOT OUT TO KILL ANYBODY, WE'D LIKE TO NARROW THE ODDS SOMEWHAT AND WE'RE NOT GOING TO RELY ON SLINGSHOTS. BY PUTTING THE RESOURCES OF SHORE TO SHORE AND DISTRICT TRUST TOGETHER, WE HAVE ASSEMBLED AN IMPRESSIVE ARRAY OF PROFESSIONAL SKILLS AND EXPERIENCE.

THIS IS NOT MERELY PRESIDENTIAL RHETORIC. IF YOU EXAMINE DISTRICT TRUST'S PERFORMANCE FOR THE FIRST QUARTER ENDING JANUARY 31, 1972, YOU WILL NOTICE AN INCOME OF \$43,489, BEFORE TAXES, COMPARED TO \$16,763 DURING THE SAME PERIOD LAST YEAR.

THE FOUNDATION IS SOLID AND THE SUPER-STRUCTURE CAN REACH AS HIGH ... OR AS FAR ... AS WE'RE PREPARED TO BUILD IT. IN THAT RESPECT, I MIGHT ADD THAT WE ARE EXTENDING OUR REACH OUTSIDE ONTARIO. DURING 1972, WE PLAN TO ESTABLISH REPRESENTATION FOR DISTRICT TRUST IN AUSTRIA, TO MANAGE FUNDS FOR EUROPEAN INVESTORS. WE WILL OFFER CLIENT REPRESENTATION FOR

INVESTMENT IN CANADA, IN REAL ESTATE AND MUTUAL FUNDS, FOR EXAMPLE.

YOU MIGHT WELL WONDER WHY WE'RE PLANNING TO REPRESENT DISTRICT TRUST IN AUSTRIA WHEN THERE ARE MANY OPPORTUNITIES FOR EXPANSION IN ONTARIO.

FOR ONE THING, SHORE TO SHORE HAS A SOUND RELATIONSHIP WITH AN AUSTRIAN TURKEY BREEDER WHO IMPORTS OUR HYBRID HATCHING EGGS AND POULTS. THAT BY ITSELF IS NOT ENOUGH REASON, PARTICULARLY SINCE WE EXPORT HYBRID'S PRODUCTS TO OTHER COUNTRIES. THERE IS, HOWEVER, A MORE COMPELLING REASON ... WHICH LEADS ME TO ANOTHER ANNOUNCEMENT ... ONE I'M ESPECIALLY PLEASED TO MAKE.

WE HAVE ESTABLISHED A COMPANY IN AUSTRIA WHICH WILL RECYCLE MORE THAN A THIRD OF THAT COUNTRY'S ANIMAL WASTE. MILO SHANTZ AND I RETURNED FROM AUSTRIA A LITTLE MORE THAN A WEEK AGO WITH EVERYTHING SIGNED AND READY TO GO.

I WON'T EVEN ATTEMPT TO GIVE YOU THE AUSTRIAN NAME ... I'D PROBABLY GARBLE IT ... BUT IN ENGLISH IT'S CALLED THE STERIAN REDUCTION COMPANY. STERIA IS THE AUSTRIAN PROVINCE IN WHICH THE COMPANY IS LICENSED TO OPERATE. THE COMPANY HAS THE FIRM BACKING OF THE STERIAN PROVINCIAL LEGISLATURE, WHICH IS CRUCIAL, AND PARTICIPATION BY AUSTRIAN SHAREHOLDERS, WHICH IS ALSO VITAL TO THE POLITICAL CLIMATE IN WHICH THE COMPANY WILL OPERATE. AUSTRIAN SHAREHOLDERS IN FACT, OWN 40 PER CENT OF THE COMPANY. YOUR COMPANY HAS A DIRECT INTEREST IN 30 PER CENT OF THE COMPANY, AND MARCOR ENTERPRISES LIMITED OF ELMIRA,

ONTARIO, IN WHICH SHORE TO SHORE CORPORATION HAS A ONE-HALF INTEREST, HAS THE REMAINING 30 PER CENT.

THE TERMS ARE HIGHLY FAVOURABLE. ANIMAL WASTES WILL BE DELIVERED, WITHOUT CHARGE, TO THE COMPANY'S RECYCLING OR RENDERING PLANT ... WHICH, BY THE WAY, IS ABOUT 130 MILES SOUTH OF VIENNA NEAR THE YUGOSLAVIAN BORDER, AND THERE IS ALSO A LAW WHICH COMPELS STERIANS TO TURN THEIR ANIMAL WASTES OVER FOR RENDERING. THE PROBLEM IS THAT THE EXISTING REDUCTION PLANT, WHICH WE'VE TAKEN OVER, IS NOT ABLE TO HANDLE ALL THE MATERIAL, SO THE LAW IS, IN MANY RESPECTS, UNENFORCEABLE.

IN OTHER WORDS, OUR COMPANY RECEIVES THE RAW MATERIAL FREE, RIGHT TO THE DOOR OF THE PLANT. STERIA ALSO HAPPENS TO BE THE PROVINCE IN WHICH MOST OF AUSTRIA'S LIVESTOCK IS RAISED AND PROCESSED, WHICH ASSURES US AN UNLIMITED SUPPLY OF RAW MATERIAL. WE COULD KEEP THE PLANT RUNNING WITHOUT INTERRUPTION AND STILL NOT EXHAUST THE SUPPLY. NATURALLY WE HAVE TO PAY FOR THE SHIPMENT OF FINISHED PRODUCTS CREATED THROUGH THE RECYCLING PROCESS, BUT EVEN AT THAT WE'RE AHEAD BECAUSE THE PRICES ARE HIGHER IN EUROPE THAN THEY ARE IN CANADA. THE PROFIT POTENTIAL IS QUITE PROMISING.

THE AUSTRIAN PLANT IS IN THE SAME BUSINESS AS OUR ROTHSAY CONCENTRATES PLANT IN ONTARIO, ON A FAR SMALLER SCALE OF PRODUCTION AND SOPHISTICATION. WE INTEND TO UPGRADE THE EQUIPMENT AND INCREASE THE PRODUCTION OF THE AUSTRIAN PLANT WITHIN THE NEAR FUTURE. GEORGE PILLER, OUR EXPERT IN RECYCLING

WASTE AND POLLUTION CONTROL, WILL LEAVE FOR AUSTRIA IN A FEW WEEKS TO SUPERVISE THE STREAMLINING OF THE PLANT AND ASSESS THE POSSIBILITIES OF EXTENDING THE OPERATION TO OTHER AUSTRIAN PROVINCES. HE'LL BE THERE AT LEAST SIX MONTHS, POSSIBLY AS LONG AS A YEAR, BUT HE WON'T FEEL TOO STRANGE ... IT'S HIS NATIVE COUNTRY. AS A MATTER OF FACT, GEORGE SET THE WHOLE THING IN MOTION ABOUT A YEAR AGO WHEN HE WAS VISITING HIS BROTHER WHO MENTIONED THAT THERE WAS AN OPPORTUNITY TO TAKE OVER AN EXISTING PLANT.

SINCE THAT TIME, GEORGE HAS BEEN BACK TO AUSTRIA AND SEVERAL SHORE TO SHORE DIRECTORS HAVE BEEN TO AUSTRIA TO NEGOTIATE AND SETTLE THE DEAL. FOR THAT MATTER, SEVERAL MEMBERS OF THE STERIAN LEGISLATURE AND AUSTRIAN BUSINESSMEN HAVE BEEN HERE TO LOOK AT SHORE TO SHORE AND THE ROTHSAI PLANT RENDERING OPERATION IN PARTICULAR.

THE PRICE OF THE AUSTRIAN PLANT WAS \$195,000, WHICH WAS FURNISHED BY THE SHAREHOLDERS. AUSTRIAN FINANCIAL INSTITUTIONS HAVE AGREED TO MATCH OUR INVESTMENT TOWARD THE NEED FOR WORKING CAPITAL AND EXPANSION. WE INTEND TO DEMONSTRATE OUR CAPABILITY WITHIN THE NEXT FEW YEARS TO MAKE SURE THE AUSTRIAN AUTHORITIES ARE SATISFIED. WE ALSO ANTICIPATE A MAJOR NEW INSTALLATION AND MUCH GREATER SCOPE OF OPERATIONS IN AUSTRIA WITHIN THREE TO FOUR YEARS.

IN NEIGHBOURING HUNGARY, PROSPECTS FOR INCREASED EXPORTS OF HYBRID TURKEY POULTS ARE ENCOURAGING. FOR EXAMPLE, WE HAVE A FIVE-YEAR CONTRACT WITH A HUNGARIAN CO-OPERATIVE TO

PROVIDE DAY-OLD TURKEY POULTS THAT MULTIPLY TO A MILLION AND A HALF TURKEY BROILERS EACH YEAR. THE SUCCESS OF THAT VENTURE PROMPTED A HUNGARIAN FARM DELEGATION TO VISIT THE HYBRID FACILITIES ... AND SIMILAR ENTERPRISES IN THIS AREA. IN FACT, THEY LEFT YESTERDAY.

I'LL CONCLUDE WITH A BRIEF REVIEW OF YOUR COMPANY'S POSITION AT THIS TIME. 1971 WAS A TURNING POINT IN OUR HISTORY. WE ACQUIRED A MAJORITY INTEREST IN DISTRICT TRUST. OUR SHARES WERE LISTED ON THE TORONTO STOCK EXCHANGE. SALES AND RENTAL INCOME WAS UP TO NEARLY SEVEN AND A HALF MILLION DOLLARS FROM SOMEWHAT MORE THAN SIX MILLION DOLLARS THE PREVIOUS YEAR. NET EARNINGS AND EARNINGS PER SHARE WERE UP CONSIDERABLY. TOTAL ASSETS UNDER OUR CONTROL AMOUNTED TO A RECORD OF MORE THAN THIRTY-EIGHT MILLION DOLLARS, IF YOU INCLUDE DISTRICT TRUST'S NON-CONSOLIDATED ASSETS. TOWARD THE END OF THE YEAR THE MARKETS FOR HYBRID TURKEYS AND ROTHSAI CONCENTRATES IMPROVED SUBSTANTIALLY, AFTER A PERIOD OF DEPRESSED MARKET CONDITIONS. OUR REAL ESTATE ACTIVITY, IN PARTICULAR THE PARKWAY MALL SHOPPING CENTRE NEAR HESPELER, WAS REWARDING. YOU MIGHT HAVE A LOOK AT PARKWAY MALL AFTER THE MEETING IF YOU HAVEN'T SEEN IT LATELY ... IT'S NEARLY FINISHED. AS MUCH AS 1971 WAS A TURNING POINT, 1972 IS SHAPING UP TO BE THE BEST YEAR BY FAR IN SHORE TO SHORE'S YOUNG BUT RAPIDLY MATURING LIFE. MANY OF OUR ASSETS ARE UNDERVALUED. WE HAVE SALES PENDING ON PROPERTY, FOR EXAMPLE, WHICH HAS A BOOK VALUE OF \$117,000 AND WILL BE SOLD FOR ABOUT

\$292,500. OTHER OF OUR ASSETS CANNOT BE OVERVALUED ... I'M TALKING ABOUT THE PROFESSIONAL QUALITY OF OUR STAFF, WHO HAVE CONTRIBUTED TO SHORE TO SHORE'S SUCCESS. WITHOUT THEM WE WOULDN'T BE MOVING INTO THE FRONT RANKS. AS WE MOVE FORWARD, WE INTEND TO CONSOLIDATE OUR CORPORATE STRUCTURE AND CONTINUE TO PRUNE OPERATING COSTS AS WE HAVE RECENTLY, SAVING THOUSANDS OF DOLLARS.

IN THE ANNUAL REPORT, I PREDICTED ASSETS UNDER SHORE TO SHORE'S CONTROL WILL BE INCREASED BY SOME TEN MILLION DOLLARS THIS YEAR. IN VIEW OF THE VASTLY IMPROVED ECONOMIC CONDITIONS IN CANADA AND THE UPSWING IN MARKETS GENERALLY, I THINK THAT ESTIMATE WAS PROBABLY ON THE CONSERVATIVE SIDE.

THE BOARD OF DIRECTORS AND I THANK YOU, THE SHAREHOLDERS OF SHORE TO SHORE, FOR YOUR CONTINUED FAITH AND SUPPORT.



Highlights

Years ended November 30	1973	1972
Earnings		
Total sales and rental income	\$12,048,953	\$ 7,947,149
Share of earnings of District Trust Company	56,133	80,170
Earnings before income taxes and extraordinary items	2,204,814	475,083
Earnings before extraordinary items	1,321,647	319,860
Net earnings for the year	1,592,887	574,265
Earnings per share		
Earnings before extraordinary items	58.7¢	14.6¢
Net earnings for the year	70.8¢	26.2¢
Dividends per share	10.0¢	2.5¢
Total assets	\$16,362,806	\$16,467,229

President's Report

The year 1973 was the greatest single year of advancement in the history of Shore to Shore in terms of over all growth, streamlining of operations and new potential for the future. Net earnings rose to \$1,592,887 or 70.8¢ per share as compared to \$574,265 or 26.2¢ per share for the year 1972. Total consolidated assets were \$16,362,806. At October 31, 1973, non-consolidated assets of District Trust Company of London, Ontario, in which your Company at that time, had a 53.2 per cent interest were \$58,144,061. These combined assets amounted to \$74,506,867 representing a 42 per cent increase over \$52,522,951 in assets controlled by Shore to Shore in 1972.

Prior to November 30th, 1973, your Company made an offer to Shareholders of District Trust Company to exchange one common share of District Trust for three common shares of Shore to Shore. The offer expired early in 1974 and I wish to report that this exchange resulted in your Company increasing its holdings in District Trust from 53.2 per cent to approximately 98 per cent. To facilitate this exchange an additional 317,415 common treasury shares were issued resulting in total issued common shares of 2,605,560.

During the year, it was felt that the Company's future could best be served by consolidating its efforts in the Financial, Real Estate and Waste Recycling fields. Consistent with this policy Shore to Shore sold its interest in Hybrid Turkeys Limited, Hybrid Cattle Corporation Limited and B.M.V. Manufacturing Company Limited. Included in net earnings is an amount of \$244,364 which is the excess of proceeds over book value resulting from the sale of these assets.

This now leaves the concentration of the Company's interest in three main divisions namely:

- 1) Financial
- 2) Industrial
- 3) Land and Property Development

Each of the divisions is showing impressive results and I would also add the Austrian Company in which we have a substantial interest has shown excellent results to date.

Directors

During the year Mr. Frederick M. Halls resigned as a Director of the Company and subsequent to the year end, Mr. Donald B. Martin resigned as a Director and Mr. Milo D. Shantz resigned as a Vice-President. Mr. Shantz and Mr. Lester W. Zehr are not standing for re-election to the Board of Directors. To each of these gentlemen appreciation is expressed for their assistance and guidance in the past.

Management appointments

Mr. John D. Riding has been appointed Assistant to the President and in addition to Mr. Robert A. Schultz, C.A., who is presently Vice-President and Treasurer, the following have been appointed a Vice-President of the Company:
Robert C. Allen — Planning & Administration
Dick Corner — Waste Recycling
Kenneth L. Cunningham — Financial Services

Mr. Gordon A. Mackay, Q.C., is now Secretary of the Company and Mr. George Piller has been made Technical Advisor — Waste Recycling (International).

The Directors and Management feel we have a strong base and prospects for 1974 give all indications of another noteworthy year.

Finally the Board of Directors and I offer to the people of Shore to Shore our thanks and appreciation for their loyalty, enthusiasm and relentless efforts in furthering the interests of the Company.

On behalf of the Board,



R. J. Hare,
President.



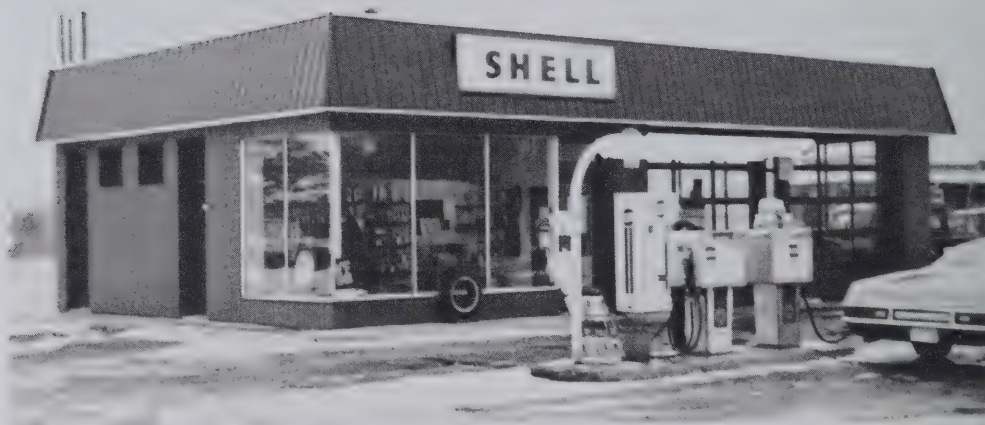
Financial/Land and Property Development

In the financial field, District Trust Company recorded another year of sound growth. The expansion of Head Office facilities together with the opening of a full service branch in Elmira and an office in Brantford further enhanced the Company's sphere of activity.

Real estate is an integral part of the growth of District Trust Company. Real Estate Properties were acquired in various centres across Ontario by District Trust in 1973, through its wholly

owned subsidiary District Development Corporation Limited and also on behalf of the Real Estate Retirement Savings Plan.

During 1973, Shore to Shore Corporation completed the development of a Neighbourhood Shopping Centre in Guelph, Ontario. Construction of another shopping plaza in Waterloo, Ontario was commenced in 1973. The plaza, known as Glenridge Centre, when completed will consist of more than 55,000 square feet of retail area under one roof. Both developments are joint ventures with local companies.



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1) Income producing real estate properties include several service station sites.
 2) Construction is currently underway on the 55,000 square foot shopping plaza in Waterloo, Ontario, known as Glenridge Centre.
 3) The demolition of this building recently acquired by District Development Corporation will make way for a new commercial complex to house a branch of a leading financial institution.

4) The expansion of the facilities of District Trust Company include this full service branch in Elmira, Ontario.
 5) The interior of the Elmira Branch of District Trust stresses customer convenience.
 6) Included in recent real estate developments is the Edinburgh Shopping Centre in Guelph, Ontario.
 7) A new Brewers Retail store, along with a branch of the Royal Bank of Canada, are key tenants in the Edinburgh Road Shopping Centre.



Industrial

Rothsay Concentrates Co. Limited continues its rapid growth pattern. Due to the current world protein shortage, the demand is increasing for high protein meals and high energy fats and as a result Rothsay Concentrates is involved in an on-going research program to discover new methods of recycling industrial waste products. As a direct result of the research program the By-Product Feed Division has been established to provide a totally new concept of efficient livestock feeding.

Rothsay Concentrates is committed to share in the responsibility for the protection of our environment. As a result in 1973 a major capital expenditure was approved and construction commenced on a water sewage treatment plant and an air purification system.

Other developments included the construction of a self-contained truck service building which is now operational.

The Austrian Recycling Plant known as Steirische Tierkorperververtungs G.m.b.H. celebrated its official opening during 1973 and continues to recycle

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increased volumes of waste products and services an ever increasing area of Austria. The success of this first European venture has led to investigation of further possibilities in the recycling field in foreign markets.

Illustrated below is the continuous cycle of waste recovery:

1) Various waste products are picked up at food or beverage plants by the By-Product Feed Division for use in cattle feeding programs.

2) In the By-Product Feed Division's research facilities, resident nutritionist, Dr. Ololade is continually testing food and beverage wastes to assist in the development and improvement of Pro-Blend feed products.

3) Special tank trucks deliver Pro-Blend to local cattle feedlots.

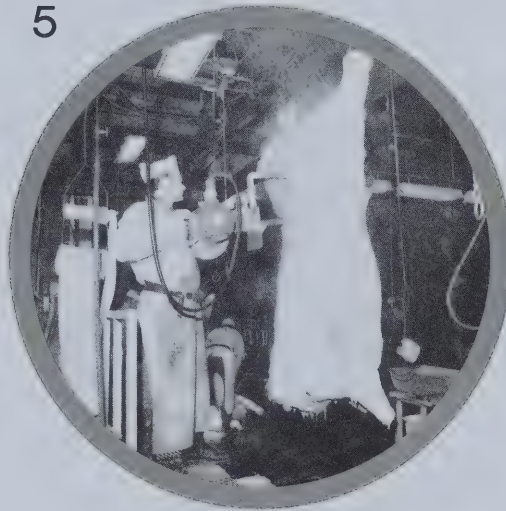
4) Typical cattle feedlots utilize Pro-Blend for fast efficient weight gains.

5) Meat packing plants across Ontario produce organic waste by-products which are the raw materials for the recycle plant.

6) Organic wastes are transported to the recycle plants by specialized trucking

equipment. This service is provided by Dynamic DisposALL Trucking Limited, a wholly owned subsidiary of Rothsay Concentrates, which also serves other industrial and commercial operations. 7) Ever increasing volumes of high protein meals and high energy fats are produced by the recycle plants in Rothsay, Ontario and in Austria.

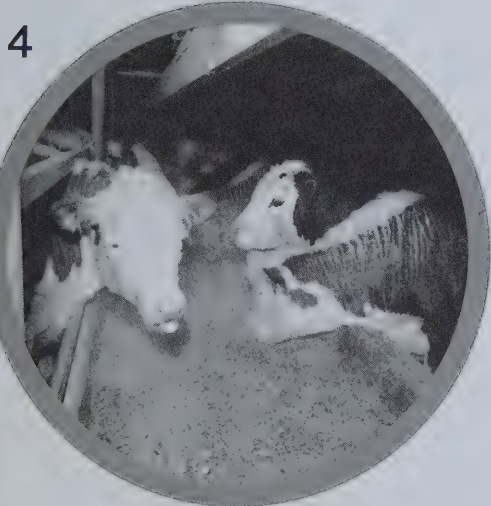
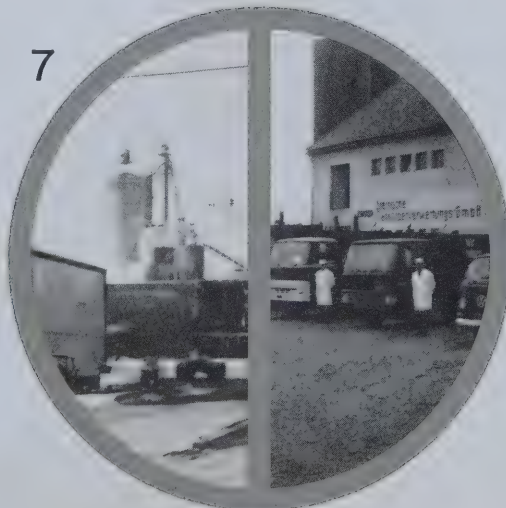
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Consolidated Balance Sheet

November 30	1973	1972
Assets		
Accounts and notes receivable	\$ 975,017	\$ 738,520
Inventories, other than land (note 2)	230,101	461,753
Land inventories, at cost plus net carrying charges	1,369,552	1,396,440
Prepaid expenses	190,605	171,831
Mortgages and notes receivable	618,365	214,044
Investment in non-consolidated subsidiary company, District Trust Company (note 3)	1,804,414	1,768,326
Investment in and advances to affiliated companies, at cost	113,799	330,986
Investment in partnership (note 4)	94,517	
Income producing fixed assets, at cost less accumulated depreciation of \$2,084,009 (1972, \$1,752,214) (note 5)	10,620,551	10,863,092
Deposits and deferred charges (note 6)	344,115	518,305
Organization expense less amortization	1,770	3,932
	\$16,362,806	\$16,467,229
	1973	1972
Liabilities		
Bank advances (note 7)	\$ 1,681,286	\$ 2,416,281
Accounts payable and accrued liabilities	802,657	868,411
Notes payable	10,800	128,231
Income taxes payable	775,774	21,782
Mortgages on land inventories (note 8)	572,132	579,183
Mortgages on income producing fixed assets (note 8)	6,052,310	6,955,478
Purchase contracts, payable \$15,800 monthly	54,911	244,058
Deferred income taxes	547,610	497,351
Interest of minority shareholders in a consolidated subsidiary company	304	304
	10,497,784	11,711,079
Shareholders' Equity		
Capital stock (notes 3 and 9)	3,235,066	3,231,566
Retained earnings	2,892,456	1,524,584
	6,127,522	4,756,150
Deduct 75,000 common shares acquired, at cost (note 12)	262,500	
	5,865,022	4,756,150
	\$16,362,806	\$16,467,229
Contingent liabilities (notes 10 and 11)		

Approved by the Board
R. J. Hare, Director
G. A. Mackay, Q.C., Director

Consolidated Statement of Earnings

Years ended November 30	1973	1972
Sales and rental income		
Agricultural and manufacturing	\$10,728,996	\$ 7,010,621
Real estate	1,319,957	936,528
	12,048,953	7,947,149
Costs and expenses		
Cost of sales and operating expenses	7,681,859	5,811,640
Administrative expenses	904,679	485,453
Depreciation	507,970	488,175
Interest on long term debt less \$43,942 capitalized (1972, \$43,531)	808,935	766,968
	9,903,443	7,552,236
	2,145,510	394,913
Share of earnings of District Trust Company	56,133	80,170
Share of earnings of partnership, Edinburgh Shopping Centre	3,171	
	59,304	80,170
Earnings before income taxes and extraordinary items	2,204,814	475,083
Income taxes		
Current	814,135	47,428
Deferred	69,032	33,528
Subject to reduction		74,267
	883,167	155,223
Earnings before extraordinary items	1,321,647	319,860
Extraordinary items		
Gain on sale of income producing fixed assets (note 11)	26,876	180,138
Excess of proceeds over book value on sale of subsidiary company less deferred taxes (note 12)	244,364	
Income tax reduction realized on carry forward of prior years' losses of subsidiary company		74,267
	271,240	254,405
Net earnings for the year	\$ 1,592,887	\$ 574,265
Earnings per share (note 13)		
Earnings before extraordinary items	58.7¢	14.6¢
Extraordinary items	12.1¢	11.6¢
Net earnings for the year	70.8¢	26.2¢

Auditors' Report

To the Shareholders of
Shore to Shore Corporation Limited

We have examined the consolidated balance sheet of Shore to Shore Corporation Limited and consolidated subsidiary companies as at November 30, 1973 and the consolidated statements of earnings, retained earnings and source and use of cash for the year then ended. Our examination included a general review of the accounting procedures and such tests of accounting records and other supporting evidence as we considered necessary in the circumstances.

In our opinion these consolidated financial statements present fairly the financial position of the companies as at November 30, 1973 and the results of their operations and the source and use of their cash for the year then ended, in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

Thorne Gunn & Co.
Chartered Accountants

Kitchener, Ontario
February 8, 1974

Consolidated Statement of Retained Earnings

Years ended November 30	1973	1972
Balance at beginning of year	\$ 1,524,584	\$ 1,004,995
Net earnings for the year	1,592,887	574,265
	3,117,471	1,579,260
Dividends on common shares	225,015	54,676
Balance at end of year	\$ 2,892,456	\$ 1,524,584

Consolidated Statement of Source and Use of Cash

Years ended November 30

1973

1972

Source of Cash

Operations

Net earnings for the year	\$ 1,592,887	\$ 574,265
Non-cash items		
Depreciation and amortization	672,692	657,052
Deferred income taxes	69,032	(6,352)
Share of earnings of District Trust Company in excess of dividends received of \$25,361 (1972, \$20,754)	(30,772)	(59,416)
Share of earnings of partnership	(3,171)	
Excess of proceeds over book value on sale of subsidiary company	(248,659)	
	2,052,009	1,165,549
Sale of income producing fixed assets	934,697	174,485
Increase in income taxes payable	753,992	21,782
Proceeds from sale of subsidiary company	262,500	
Decrease in inventories other than land	231,652	
Proceeds from sale at net book value of interests in affiliated companies	141,271	
Proceeds from mortgages payable	117,845	722,617
Issue of capital stock	3,500	398,000
Net change in other assets and liabilities	63,046	130,957
Increase in bank advances		589,903
	\$ 4,560,512	\$ 3,203,293

Use of cash

Additions to income producing fixed assets	\$ 1,200,126	\$ 1,300,087
Decrease in mortgages payable	1,028,064	408,587
Increase in mortgages and notes receivable	404,321	
Acquisition of common shares	262,500	
Increase in accounts and notes receivable	236,497	115,538
Dividends on common shares	225,015	54,676
Payments on purchase contracts	189,147	174,442
Decrease in notes payable	117,431	239,130
Investment in partnership	91,346	
Investment in shares of District Trust Company	5,316	588,564
Decrease in accounts payable and accrued liabilities	65,754	204,668
Investments in and advances to affiliated companies		117,601
Decrease in bank advances	734,995	
	\$ 4,560,512	\$ 3,203,293

Notes to Consolidated Financial Statements

1) Basis of consolidation

The consolidated financial statements include the accounts of Shore to Shore Corporation Limited and Rothsay Concentrates Co. Limited for the year ended November 30, 1973, Allcross Enterprises Limited for the year ended September 30, 1973 and the results of operations of Hybrid Turkeys Limited to the effective date of its sale on May 31, 1973 (note 12). Also included are the accounts of Dynamic DisposALL Trucking Limited, a wholly owned subsidiary company of Rothsay Concentrates Co. Limited from its commencement of operations on January 1, 1973. Dynamic DisposALL Trucking Limited was incorporated on December 11, 1972 to carry on the former operations of the DisposALL division of Shore to Shore Corporation Limited.

2) Inventories, other than land

Inventories other than land are valued at the lower of cost and net realizable value and are classified as follows:

	1973	1972
Manufactured	\$230,101	\$123,575
Agricultural		338,178
	\$230,101	\$461,753

4) Investment in partnership

The company's one-half interest in Edinburgh Shopping Centre is valued at cost plus the company's share of earnings to November 30, 1973.

5) Income producing fixed assets

	1973	1973	1973	1972
	Cost	Accumulated depreciation	Net	Net
Land	\$ 1,343,250		\$ 1,343,250	\$ 1,448,985
Buildings	7,358,797	\$ 814,898	6,543,899	7,056,031
Parking lots and landscaping	490,174	166,568	323,606	282,940
Machinery and equipment	2,925,275	775,294	2,149,981	1,882,418
Vehicles	587,064	327,249	259,815	136,543
Patents				56,175
	\$12,704,560	\$ 2,084,009	\$10,620,551	\$10,863,092

The company records depreciation on buildings other than manufacturing facilities of \$633,735, on a forty year sinking fund basis. Under this method depreciation is charged in a series of annual instalments increasing at the

3) Investment in non-consolidated subsidiary company, District Trust Company

The accounts of District Trust Company are not consolidated since its operations are subject to regulations which restrict the interchangeability of assets. During the year the company purchased 400 shares of District Trust Company on the open market at a cost of \$5,316. At November 30, 1973 the company held a 53.2% interest in District Trust Company. The investment is recorded at cost plus the company's proportionate share of earnings since acquisition less dividends received and the statement of earnings reflects the proportionate share of earnings of the subsidiary company for its year ended October 31, 1973 in the amount of \$56,133 (1972, \$80,170).

Subsequent to the year end the company acquired 106,355 shares under the terms of an offer dated November 22, 1973 to give it a 97.7% interest in District Trust Company. Three common shares of the company were exchanged for each share of District Trust Company acquired. The offer is presently open and further exchanges are expected.

rate of 5% compounded annually and will result in a substantially higher depreciation charge in later years. Other fixed assets are being depreciated on a straight line basis over their estimated useful life.

6) Deposits and deferred charges

	1973	1972
Deposits	\$ 16,714	\$ 5,628
Deferred cost of purchase contracts less amortization	257,655	417,795
Other deferred charges less amortization	69,746	94,882
	\$ 344,115	\$ 518,305

Deferred charges including the cost of purchase contracts are amortized on

a straight line basis over the life of the contracts to which they relate.

7) Bank advances

Bank advances are secured by a pledge of accounts receivable, inventories, securities, collateral mortgages of

\$1,000,000 on three properties and a floating charge debenture in the amount of \$2,000,000.

8) Mortgages on land inventories and income producing fixed assets

Mortgages payable bear an average

interest rate of 9.9% (1972, 10.1%) and are repayable as to principal as follows:

	1973	1973	1973	1972
	On Land Inventories	On Income Producing Fixed Assets	Total	Total
1973				\$ 661,486
1974	\$ 76,132	\$1,007,840	\$1,083,972	1,071,954
1975	86,714	404,923	491,637	831,086
1976	12,340	1,053,776	1,066,116	1,044,453
1977	44,004	193,006	237,010	241,779
1978	12,440	297,198	309,638	206,619
1979	41,450	331,051	372,501	384,816
1980	9,876	100,045	109,921	122,593
1981	10,431	95,703	106,134	105,840
1982	11,031	83,101	94,132	94,320
1983	231,676	84,482	316,158	316,658
1984 and subsequent years	36,038	2,401,185	2,437,223	2,453,057
	\$ 572,132	\$6,052,310	\$6,624,442	\$7,534,661

Included in mortgages payable on income producing fixed assets is an amount of \$557,600 (1972, \$656,000)

which is additionally secured by a floating charge debenture on the assets of Rothsay Concentrates Co. Limited.

9) Capital stock

	1973	1972
Authorized		
500,000 7% Cumulative Class A preference shares, redeemable at par value of \$10 per share		
3,000,000 7% Non-cumulative Class B preference shares, redeemable at par value of \$1 per share		
7,000,000 Common shares without par value		
Issued		
2,288,145 Common shares (1972, 2,287,145 shares)	\$ 3,235,066	\$ 3,231,566

Under the terms of stock options 1,000 shares were issued during the year for cash consideration of \$3,500. Options to purchase 84,000 common shares (100,000 at November 30, 1972) are outstanding at prices ranging from \$3.50 to \$5.00 per share. The options expire

on June 15, 1977.

By Articles of Amendment dated October 16, 1973 the company is authorized to purchase its own shares. As consideration for the sale of Hybrid Turkeys Limited 75,000 shares were acquired during the year (note 12).

10) Contingent liability

The company has entered into a construction project with Zehr's Markets Limited which is expected to cost approximately \$1,200,000 for which completion financing has been arranged. Of this amount \$217,879 has been expended to November 30, 1973 and financed by a bank loan jointly guaranteed by the two companies.

11) Income taxes

Subsequent to the year end the company received re-assessments of the 1970 and 1971 taxation years in which gains of \$517,313 previously reported as capital gains were assessed as taxable income. The company has filed notices of objection and taxes have not been provided in these statements for the disputed assessments.

Included in net earnings for the current year are gains arising from the sale of income producing fixed assets of \$26,876 (1972, \$182,005) which the company contends are capital gains and income taxes have been provided accordingly.

12) Sale of shares of Hybrid Turkeys Limited

The shares of Hybrid Turkeys Limited were sold under an agreement dated August 30, 1973 to Shanvest Limited for \$350,000. As part of the consideration Shore to Shore Corporation Limited has accepted 75,000 of its own shares at an agreed value of \$3.50 per share. The remaining \$87,500 is payable on or before September 15, 1978 and may, under certain conditions, be decreased and may be paid in cash or shares of Shore to Shore Corporation Limited at an agreed value of \$3.50 per share. This balance has not been reflected in the accounts.

13) Earnings per share

Earnings per share have been calculated using the weighted average number of shares held by shareholders during the year.

14) Other statutory information

	1973	1972
Aggregate direct remuneration of directors and senior officers (as defined by The Business Corporations Act)		
As directors	nil	nil
As senior officers of the company and consolidated subsidiary companies	\$ 167,808	\$ 134,640
As senior officers of non-consolidated subsidiary company, District Trust Company	25,736	24,830
Depreciation	507,970	488,175
Amortization	164,722	168,877

Consolidated Balance Sheet

October 31	1973	1972
Assets		
Cash, including term deposits of \$5,425,356 (1972, \$6,074,176)	\$ 5,810,397	\$ 6,223,770
Investment securities, at cost (note 2)		
Bonds		
Government of Canada	1,462,434	1,154,423
Provinces of Canada	653,618	653,618
Municipal	125,851	125,851
Other	2,942,852	478,413
	5,184,755	2,412,305
Stocks	334,787	225,701
	5,519,542	2,638,006
Loans and advances		
Mortgages	44,758,188	26,141,838
Loans on securities	267,605	233,412
Personal loans	165,723	93,823
Advances to estates, trusts and agencies	22,426	15,700
	45,213,942	26,484,773
Investment properties (note 3)	1,237,909	545,839
Fixed assets (note 4)	284,309	139,726
Other assets	77,962	23,608
	\$58,144,061	\$36,055,722
Estates, trusts and agencies		
Securities, cash and other assets at company valuation 1973, \$14,846,532; 1972, \$11,339,531.		
	1973	1972
Liabilities		
Deposits and borrowings		
Deposits	\$ 5,877,646	\$ 5,034,052
Short term certificates	479,861	295,239
Guaranteed investment certificates	47,994,652	26,972,544
	54,352,159	32,301,835
Other liabilities		
Accounts payable and accrued liabilities	312,531	215,450
Income taxes payable		20,806
9% mortgage payable maturing March 3, 1974		337,416
9% mortgage payable maturing September 28, 1983	134,932	
	447,463	573,672
Deferred income taxes	198,600	92,100
Shareholders' Equity		
Capital stock (note 5)		
Authorized — 500,000 shares of \$10 each		
Issued — 238,947 shares	2,389,470	2,389,470
Contributed surplus	379,436	379,436
General reserve	250,000	150,000
Retained earnings	126,933	169,209
	3,145,839	3,088,115
	\$58,144,061	\$36,055,722

Approved by the Board
B. I. Baldwin, Director
R. J. Hare, Director

Consolidated Statement of Income

Years ended October 31	1973	1972
Income		
Interest from mortgages	\$ 3,250,115	\$ 2,004,671
Other mortgage revenue	101,722	57,606
Interest from loans	33,204	22,946
Interest and dividends from investment securities	572,897	281,724
Real estate commissions	340,722	167,863
Estates, trusts and agencies fees (note 6)	46,635	10,757
Other operating income	51,263	39,468
Income (loss) from investment properties	41,287	(1,378)
	4,437,845	2,583,657
Expenses		
Interest on deposits and borrowings	3,074,679	1,696,954
Salaries and staff benefits	455,714	282,371
Premises expenses	107,957	72,010
Commissions and salaries to real estate salesmen	193,408	115,570
Other operating expenses	384,074	253,185
	4,215,832	2,420,090
Income before undernoted items and income taxes	222,013	163,567
Investment securities gains		76,197
	222,013	239,764
Amortization of goodwill arising on purchase of a real estate business	10,000	
Income before income taxes	212,013	239,764
Income taxes		
Current		19,000
Deferred	106,500	69,500
	106,500	88,500
Net income for the year (note 6)	\$ 105,513	\$ 151,264
Earnings per share , based, in 1972, on weighted average of shares outstanding during the year	\$.44	\$.94

Auditors' Report

To the Shareholders of
District Trust Company

We have examined the consolidated balance sheet of District Trust Company and subsidiary company as at October 31, 1973 and the consolidated statements of income, general reserve and retained earnings for the year then ended. Our examination included a general review of the accounting procedures and such tests of accounting records and other supporting evidence as we considered necessary in the circumstances.

In our opinion these consolidated financial statements present fairly the financial position of the companies as at October 31, 1973 and the results of their operations for the year then ended, in accordance with generally accepted accounting principles which, except for the change in accounting practice referred to in note 6, have been applied on a basis consistent with that of the preceding year.

Thorne Gunn & Co.
Chartered Accountants

London, Ontario
December 28, 1973

Consolidated Statement of General Reserve

Years ended October 31	1973	1972
Balance at beginning of year	\$ 150,000	\$ 78,000
Transfer from retained earnings	100,000	72,000
Balance at end of year	\$ 250,000	\$ 150,000

Consolidated Statement of Retained Earnings

Years ended October 31	1973	1972
Balance at beginning of year	\$ 169,209	\$ 129,945
Net income for the year	105,513	151,264
	274,722	281,209
Dividends	47,789	40,000
Transfer to general reserve	100,000	72,000
	147,789	112,000
Balance at end of year	\$ 126,933	\$ 169,209

Notes to Consolidated Financial Statements

1) Principles of consolidation

The financial statements include the accounts of District Development Corporation Limited, a wholly-owned subsidiary company. The net income of District Development Corporation Limited for the year ended October 31, 1973 was \$3,463.

2) Investment securities

The market values are:

	1973	1972
Bonds		
Government of Canada	\$ 1,387,512	\$ 1,099,148
Provinces of Canada	534,121	564,923
Municipal	104,314	109,448
Other	2,889,205	436,160
	4,915,152	2,209,679
Stocks	313,106	221,825
	\$ 5,228,258	\$ 2,431,504

3) Investment properties

Investment properties are stated at cost less accumulated depreciation of \$63,073 (1972, \$48,325). Depreciation of \$14,748 (1972, \$11,309) is provided at a rate of 5% by the declining balance method and is included in the income from investment properties.

4) Fixed assets

	1973	1973	1973	1972
	Cost	Accumulated Depreciation	Net	Net
Land	\$ 25,088	\$	\$ 25,088	\$ 5,014
Buildings	143,191	14,747	128,444	31,503
Office equipment and furnishings	194,137	101,929	92,208	70,176
Automotive equipment	5,872	2,685	3,187	4,553
Leasehold improvements	53,610	18,228	35,382	28,480
	\$421,898	\$137,589	\$284,309	\$139,726

Depreciation is provided by the declining balance method using the following rates:

Building	5%
Office equipment and furnishings	20%
Automotive equipment	30%

Depreciation of leasehold improvements is provided by the straight-line method over the terms of the leases.

Depreciation of \$29,747 (1972, \$24,289) is included in premises expenses.

5) Employee stock options

The company has set aside 10,000 shares of capital stock for the granting of options to employees. At October 31, 1973, 8,000 share options were outstanding, exercisable at a price of \$12.50 per share to December 31, 1976. The potential dilution if these options are exercised would not materially affect earnings per share.

6) Estates, trusts and agencies fees

In 1973 a policy was adopted under which fees earned, but not billed, on estate, trust and agency accounts would be included in income. Accordingly, additional income for 1973 was \$32,575 resulting in an increase in net income for the year of \$16,288.

7) Other statutory information

The aggregate direct remuneration paid to directors and officers amounted to \$98,148 (1972, \$69,317).

Directors

Raymond J. Hare,
Kitchener, Ontario.
Chairman of the Board & President,
Shore to Shore Corporation Limited.

Bentley I. Baldwin,
London, Ontario.
Chairman of the Board,
District Trust Company.

Sidney Brown,
Guelph, Ontario.
Secretary-Treasurer,
B & R Motors Limited.

Gordon A. Mackay, Q.C.,
Kitchener, Ontario.
Partner,
Bray, Schofield, Mackay, Kirvan & Guy.

Milo D. Shantz,
Kitchener, Ontario.
President,
Shanvest Limited.

Melvyn Wolfond,
Guelph, Ontario.
Secretary-Treasurer,
Armel Properties Limited.

Lester W. Zehr,
Kitchener, Ontario.
President,
Zehr's Markets Limited.

Officers

Effective February 8, 1974

Raymond J. Hare,
Chairman of the Board & President,

John D. Riding,
Assistant to the President,

Robert C. Allen,
Vice-President,
Planning & Administration.

Dick Corner,
Vice-President,
Waste Recycling

Kenneth L. Cunningham,
Vice-President,
Financial Services.

Robert A. Schultz,
Vice-President & Treasurer.

Gordon A. Mackay, Q.C.
Secretary.

Head Office:
259 King Street West,
Kitchener, Ontario.

Transfer Agent and Registrar:
The Canada Trust Company,
110 Yonge Street,
Toronto, Ontario.

Auditors:
Thorne Gunn & Co.

Bankers:
The Toronto-Dominion Bank

Shares listed on The
Toronto Stock Exchange

144-3525



**Shore to Shore
Corporation Limited**